

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Section 25 as follows:

6 (30 ILCS 105/25) (from Ch. 127, par. 161)

7 Sec. 25. Fiscal year limitations.

8 (a) All appropriations shall be available for expenditure
9 for the fiscal year or for a lesser period if the Act making
10 that appropriation so specifies. A deficiency or emergency
11 appropriation shall be available for expenditure only through
12 June 30 of the year when the Act making that appropriation is
13 enacted unless that Act otherwise provides.

14 (b) Outstanding liabilities as of June 30, payable from
15 appropriations which have otherwise expired, may be paid out of
16 the expiring appropriations during the 2-month period ending at
17 the close of business on August 31. Any service involving
18 professional or artistic skills or any personal services by an
19 employee whose compensation is subject to income tax
20 withholding must be performed as of June 30 of the fiscal year
21 in order to be considered an "outstanding liability as of June
22 30" that is thereby eligible for payment out of the expiring
23 appropriation.

1 (b-1) However, payment of tuition reimbursement claims
2 under Section 14-7.03 or 18-3 of the School Code may be made by
3 the State Board of Education from its appropriations for those
4 respective purposes for any fiscal year, even though the claims
5 reimbursed by the payment may be claims attributable to a prior
6 fiscal year, and payments may be made at the direction of the
7 State Superintendent of Education from the fund from which the
8 appropriation is made without regard to any fiscal year
9 limitations, except as required by subsection (j) of this
10 Section. Beginning on June 30, 2021, payment of tuition
11 reimbursement claims under Section 14-7.03 or 18-3 of the
12 School Code as of June 30, payable from appropriations that
13 have otherwise expired, may be paid out of the expiring
14 appropriation during the 4-month period ending at the close of
15 business on October 31.

16 (b-2) All outstanding liabilities as of June 30, 2010,
17 payable from appropriations that would otherwise expire at the
18 conclusion of the lapse period for fiscal year 2010, and
19 interest penalties payable on those liabilities under the State
20 Prompt Payment Act, may be paid out of the expiring
21 appropriations until December 31, 2010, without regard to the
22 fiscal year in which the payment is made, as long as vouchers
23 for the liabilities are received by the Comptroller no later
24 than August 31, 2010.

25 (b-2.5) All outstanding liabilities as of June 30, 2011,
26 payable from appropriations that would otherwise expire at the

1 conclusion of the lapse period for fiscal year 2011, and
2 interest penalties payable on those liabilities under the State
3 Prompt Payment Act, may be paid out of the expiring
4 appropriations until December 31, 2011, without regard to the
5 fiscal year in which the payment is made, as long as vouchers
6 for the liabilities are received by the Comptroller no later
7 than August 31, 2011.

8 (b-2.6) All outstanding liabilities as of June 30, 2012,
9 payable from appropriations that would otherwise expire at the
10 conclusion of the lapse period for fiscal year 2012, and
11 interest penalties payable on those liabilities under the State
12 Prompt Payment Act, may be paid out of the expiring
13 appropriations until December 31, 2012, without regard to the
14 fiscal year in which the payment is made, as long as vouchers
15 for the liabilities are received by the Comptroller no later
16 than August 31, 2012.

17 (b-2.7) ~~(b-2.6)~~ For fiscal years 2012 and 2013, interest
18 penalties payable under the State Prompt Payment Act associated
19 with a voucher for which payment is issued after June 30 may be
20 paid out of the next fiscal year's appropriation. The future
21 year appropriation must be for the same purpose and from the
22 same fund as the original payment. An interest penalty voucher
23 submitted against a future year appropriation must be submitted
24 within 60 days after the issuance of the associated voucher,
25 and the Comptroller must issue the interest payment within 60
26 days after acceptance of the interest voucher.

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2 (b-3) Medical payments may be made by the Department of
3 Veterans' Affairs from its appropriations for those purposes
4 for any fiscal year, without regard to the fact that the
5 medical services being compensated for by such payment may have
6 been rendered in a prior fiscal year, except as required by
7 subsection (j) of this Section. Beginning on June 30, 2021,
8 medical payments payable from appropriations that have
9 otherwise expired may be paid out of the expiring appropriation
10 during the 4-month period ending at the close of business on
11 October 31.

12 (b-4) Medical payments and child care payments may be made
13 by the Department of Human Services (as successor to the
14 Department of Public Aid) from appropriations for those
15 purposes for any fiscal year, without regard to the fact that
16 the medical or child care services being compensated for by
17 such payment may have been rendered in a prior fiscal year; and
18 payments may be made at the direction of the Department of
19 Healthcare and Family Services (or successor agency) from the
20 Health Insurance Reserve Fund without regard to any fiscal year
21 limitations, except as required by subsection (j) of this
22 Section. Beginning on June 30, 2021, medical and child care
23 payments made by the Department of Human Services, and payments
24 made at the discretion of the Department of Healthcare and
25 Family Services (or successor agency) from the Health Insurance
26 Reserve Fund and payable from appropriations that have

1 otherwise expired may be paid out of the expiring appropriation
2 during the 4-month period ending at the close of business on
3 October 31.

4 (b-5) Medical payments may be made by the Department of
5 Human Services from its appropriations relating to substance
6 abuse treatment services for any fiscal year, without regard to
7 the fact that the medical services being compensated for by
8 such payment may have been rendered in a prior fiscal year,
9 provided the payments are made on a fee-for-service basis
10 consistent with requirements established for Medicaid
11 reimbursement by the Department of Healthcare and Family
12 Services, except as required by subsection (j) of this Section.
13 Beginning on June 30, 2021, medical payments made by the
14 Department of Human Services relating to substance abuse
15 treatment services payable from appropriations that have
16 otherwise expired may be paid out of the expiring appropriation
17 during the 4-month period ending at the close of business on
18 October 31.

19 (b-6) Additionally, payments may be made by the Department
20 of Human Services from its appropriations, or any other State
21 agency from its appropriations with the approval of the
22 Department of Human Services, from the Immigration Reform and
23 Control Fund for purposes authorized pursuant to the
24 Immigration Reform and Control Act of 1986, without regard to
25 any fiscal year limitations, except as required by subsection
26 (j) of this Section. Beginning on June 30, 2021, payments made

1 by the Department of Human Services from the Immigration Reform
2 and Control Fund for purposes authorized pursuant to the
3 Immigration Reform and Control Act of 1986 payable from
4 appropriations that have otherwise expired may be paid out of
5 the expiring appropriation during the 4-month period ending at
6 the close of business on October 31.

7 (b-7) Payments may be made in accordance with a plan
8 authorized by paragraph (11) or (12) of Section 405-105 of the
9 Department of Central Management Services Law from
10 appropriations for those payments without regard to fiscal year
11 limitations.

12 (b-8) Notwithstanding any provision of law to the contrary
13 and to the extent permitted by federal law, as of July 1, 2015,
14 outstanding liabilities as of June 30, payable from
15 appropriations which have otherwise expired, may be paid out of
16 the expiring appropriations only during the 2-month period
17 ending at the close of business on August 31. Any service
18 involving professional or artistic skills or any personal
19 services by an employee whose compensation is subject to income
20 tax withholding must be performed as of June 30 of the fiscal
21 year in order to be considered an "outstanding liability as of
22 June 30" that is thereby eligible for payment out of the
23 expiring appropriation.

24 (c) Further, payments may be made by the Department of
25 Public Health and the Department of Human Services (acting as
26 successor to the Department of Public Health under the

1 Department of Human Services Act) from their respective
2 appropriations for grants for medical care to or on behalf of
3 premature and high-mortality risk infants and their mothers and
4 for grants for supplemental food supplies provided under the
5 United States Department of Agriculture Women, Infants and
6 Children Nutrition Program, for any fiscal year without regard
7 to the fact that the services being compensated for by such
8 payment may have been rendered in a prior fiscal year, except
9 as required by subsection (j) of this Section. Beginning on
10 June 30, 2021, payments made by the Department of Public Health
11 and the Department of Human Services from their respective
12 appropriations for grants for medical care to or on behalf of
13 premature and high-mortality risk infants and their mothers and
14 for grants for supplemental food supplies provided under the
15 United States Department of Agriculture Women, Infants and
16 Children Nutrition Program payable from appropriations that
17 have otherwise expired may be paid out of the expiring
18 appropriations during the 4-month period ending at the close of
19 business on October 31.

20 (d) The Department of Public Health and the Department of
21 Human Services (acting as successor to the Department of Public
22 Health under the Department of Human Services Act) shall each
23 annually submit to the State Comptroller, Senate President,
24 Senate Minority Leader, Speaker of the House, House Minority
25 Leader, and the respective Chairmen and Minority Spokesmen of
26 the Appropriations Committees of the Senate and the House, on

1 or before December 31, a report of fiscal year funds used to
2 pay for services provided in any prior fiscal year. This report
3 shall document by program or service category those
4 expenditures from the most recently completed fiscal year used
5 to pay for services provided in prior fiscal years.

6 (e) The Department of Healthcare and Family Services, the
7 Department of Human Services (acting as successor to the
8 Department of Public Aid), and the Department of Human Services
9 making fee-for-service payments relating to substance abuse
10 treatment services provided during a previous fiscal year shall
11 each annually submit to the State Comptroller, Senate
12 President, Senate Minority Leader, Speaker of the House, House
13 Minority Leader, the respective Chairmen and Minority
14 Spokesmen of the Appropriations Committees of the Senate and
15 the House, on or before November 30, a report that shall
16 document by program or service category those expenditures from
17 the most recently completed fiscal year used to pay for (i)
18 services provided in prior fiscal years and (ii) services for
19 which claims were received in prior fiscal years.

20 (f) The Department of Human Services (as successor to the
21 Department of Public Aid) shall annually submit to the State
22 Comptroller, Senate President, Senate Minority Leader, Speaker
23 of the House, House Minority Leader, and the respective
24 Chairmen and Minority Spokesmen of the Appropriations
25 Committees of the Senate and the House, on or before December
26 31, a report of fiscal year funds used to pay for services

1 (other than medical care) provided in any prior fiscal year.
2 This report shall document by program or service category those
3 expenditures from the most recently completed fiscal year used
4 to pay for services provided in prior fiscal years.

5 (g) In addition, each annual report required to be
6 submitted by the Department of Healthcare and Family Services
7 under subsection (e) shall include the following information
8 with respect to the State's Medicaid program:

9 (1) Explanations of the exact causes of the variance
10 between the previous year's estimated and actual
11 liabilities.

12 (2) Factors affecting the Department of Healthcare and
13 Family Services' liabilities, including but not limited to
14 numbers of aid recipients, levels of medical service
15 utilization by aid recipients, and inflation in the cost of
16 medical services.

17 (3) The results of the Department's efforts to combat
18 fraud and abuse.

19 (h) As provided in Section 4 of the General Assembly
20 Compensation Act, any utility bill for service provided to a
21 General Assembly member's district office for a period
22 including portions of 2 consecutive fiscal years may be paid
23 from funds appropriated for such expenditure in either fiscal
24 year.

25 (i) An agency which administers a fund classified by the
26 Comptroller as an internal service fund may issue rules for:

1 (1) billing user agencies in advance for payments or
2 authorized inter-fund transfers based on estimated charges
3 for goods or services;

4 (2) issuing credits, refunding through inter-fund
5 transfers, or reducing future inter-fund transfers during
6 the subsequent fiscal year for all user agency payments or
7 authorized inter-fund transfers received during the prior
8 fiscal year which were in excess of the final amounts owed
9 by the user agency for that period; and

10 (3) issuing catch-up billings to user agencies during
11 the subsequent fiscal year for amounts remaining due when
12 payments or authorized inter-fund transfers received from
13 the user agency during the prior fiscal year were less than
14 the total amount owed for that period.

15 User agencies are authorized to reimburse internal service
16 funds for catch-up billings by vouchers drawn against their
17 respective appropriations for the fiscal year in which the
18 catch-up billing was issued or by increasing an authorized
19 inter-fund transfer during the current fiscal year. For the
20 purposes of this Act, "inter-fund transfers" means transfers
21 without the use of the voucher-warrant process, as authorized
22 by Section 9.01 of the State Comptroller Act.

23 (i-1) Beginning on July 1, 2021, all outstanding
24 liabilities, not payable during the 4-month lapse period as
25 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and
26 (c) of this Section, that are made from appropriations for that

1 purpose for any fiscal year, without regard to the fact that
2 the services being compensated for by those payments may have
3 been rendered in a prior fiscal year, are limited to only those
4 claims that have been incurred but for which a proper bill or
5 invoice as defined by the State Prompt Payment Act has not been
6 received by September 30th following the end of the fiscal year
7 in which the service was rendered.

8 (j) Notwithstanding any other provision of this Act, the
9 aggregate amount of payments to be made without regard for
10 fiscal year limitations as contained in subsections (b-1),
11 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
12 determined by using Generally Accepted Accounting Principles,
13 shall not exceed the following amounts:

14 (1) \$6,000,000,000 for outstanding liabilities related
15 to fiscal year 2012;

16 (2) \$5,300,000,000 for outstanding liabilities related
17 to fiscal year 2013;

18 (3) \$4,600,000,000 for outstanding liabilities related
19 to fiscal year 2014;

20 (4) \$4,000,000,000 for outstanding liabilities related
21 to fiscal year 2015;

22 (5) \$3,300,000,000 for outstanding liabilities related
23 to fiscal year 2016;

24 (6) \$2,600,000,000 for outstanding liabilities related
25 to fiscal year 2017;

26 (7) \$2,000,000,000 for outstanding liabilities related

1 to fiscal year 2018;

2 (8) \$1,300,000,000 for outstanding liabilities related
3 to fiscal year 2019;

4 (9) \$600,000,000 for outstanding liabilities related
5 to fiscal year 2020; and

6 (10) \$0 for outstanding liabilities related to fiscal
7 year 2021 and fiscal years thereafter.

8 (k) Department of Healthcare and Family Services Medical
9 Assistance Payments.

10 (1) Definition of Medical Assistance.

11 For purposes of this subsection, the term "Medical
12 Assistance" shall include, but not necessarily be
13 limited to, medical programs and services authorized
14 under Titles XIX and XXI of the Social Security Act,
15 the Illinois Public Aid Code, the Children's Health
16 Insurance Program Act, the Covering ALL KIDS Health
17 Insurance Act, the Long Term Acute Care Hospital
18 Quality Improvement Transfer Program Act, and medical
19 care to or on behalf of persons suffering from chronic
20 renal disease, persons suffering from hemophilia, and
21 victims of sexual assault.

22 (2) Limitations on Medical Assistance payments that
23 may be paid from future fiscal year appropriations.

24 (A) The maximum amounts of annual unpaid Medical
25 Assistance bills received and recorded by the
26 Department of Healthcare and Family Services on or

1 before June 30th of a particular fiscal year
2 attributable in aggregate to the General Revenue Fund,
3 Healthcare Provider Relief Fund, Tobacco Settlement
4 Recovery Fund, Long-Term Care Provider Fund, and the
5 Drug Rebate Fund that may be paid in total by the
6 Department from future fiscal year Medical Assistance
7 appropriations to those funds are: \$700,000,000 for
8 fiscal year 2013 and \$100,000,000 for fiscal year 2014
9 and each fiscal year thereafter.

10 (B) Bills for Medical Assistance services rendered
11 in a particular fiscal year, but received and recorded
12 by the Department of Healthcare and Family Services
13 after June 30th of that fiscal year, may be paid from
14 either appropriations for that fiscal year or future
15 fiscal year appropriations for Medical Assistance.
16 Such payments shall not be subject to the requirements
17 of subparagraph (A).

18 (C) Medical Assistance bills received by the
19 Department of Healthcare and Family Services in a
20 particular fiscal year, but subject to payment amount
21 adjustments in a future fiscal year may be paid from a
22 future fiscal year's appropriation for Medical
23 Assistance. Such payments shall not be subject to the
24 requirements of subparagraph (A).

25 (D) Medical Assistance payments made by the
26 Department of Healthcare and Family Services from

1 funds other than those specifically referenced in
2 subparagraph (A) may be made from appropriations for
3 those purposes for any fiscal year without regard to
4 the fact that the Medical Assistance services being
5 compensated for by such payment may have been rendered
6 in a prior fiscal year. Such payments shall not be
7 subject to the requirements of subparagraph (A).

8 (3) Extended lapse period for Department of Healthcare
9 and Family Services Medical Assistance payments.
10 Notwithstanding any other State law to the contrary,
11 outstanding Department of Healthcare and Family Services
12 Medical Assistance liabilities, as of June 30th, payable
13 from appropriations which have otherwise expired, may be
14 paid out of the expiring appropriations during the 6-month
15 period ending at the close of business on December 31st.

16 (1) The changes to this Section made by Public Act 97-691
17 ~~this amendatory Act of the 97th General Assembly~~ shall be
18 effective for payment of Medical Assistance bills incurred in
19 fiscal year 2013 and future fiscal years. The changes to this
20 Section made by Public Act 97-691 ~~this amendatory Act of the~~
21 ~~97th General Assembly~~ shall not be applied to Medical
22 Assistance bills incurred in fiscal year 2012 or prior fiscal
23 years.

24 (m) ~~(k)~~ The Comptroller must issue payments against
25 outstanding liabilities that were received prior to the lapse
26 period deadlines set forth in this Section as soon thereafter

1 as practical, but no payment may be issued after the 4 months
2 following the lapse period deadline without the signed
3 authorization of the Comptroller and the Governor.

4 (Source: P.A. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10;
5 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff.
6 8-12-11; 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932,
7 eff. 8-10-12; revised 8-23-12.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.